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MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Office of the Comptroller
FROM : Deputy Director for Management and Services
SUBJECT : Synopsis of Program Execution Procedures

1. The attached memorandum covers in detail a proposal to review and revise portions of the Special Instructions for Program Execution as related to real estate and construction activities. Because of the length of the attached memorandum, this Synopsis has been provided for the convenience of the addressees.

2. A portion of the special instructions states "No funds will be obligated for the purchase of real estate or for the construction of buildings without DCI approval. DCI approval for such actions will normally be obtained as part of the program review process. Notification of action will assure final coordination."

3. The staff position holds that absolute regulation of purchase or construction, if rigidly adhered to, leads to excessive correspondence to the DCI level for minor matters and may be unduly restrictive on middle management operational flexibility. Conversely, the absence of regulation of properties acquired by lease or assignment and the absence of quantification of "...major repair or rehabilitation of buildings..." could lead to major expansion of facilities without appropriate executive review. Finally, some conflict exists between the special instructions and existing regulations and procedures.

4. The memorandum recommends conceptual DCI approval of establishment of specific approval levels for real property activities to include purchase, construction, alteration/repair/rehabilitation, leasing, and assignment. If conceptual approval is received, the Office of Logistics and the Office of the Comptroller will coordinate levels for final DCI approval and adjust

*This is not to be
signed M+5
1188 comes the subject.*

SUBJECT: Synopsis of Program Execution Procedures

regulations accordingly. Attachment 1 delineates suggested approval levels and procedures, and Attachment 1A is a tabulation of existing and proposed approval levels.

HAROLD L. BROWMAN
Deputy Director
for
Management and Services

Att

cc: DDCI
O-Compt.
D/Fin

*destroyed copies 9 May 74
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Retyped Page Two: O/D/L:MsB/2551 (1 Apr 74)

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COMPT 053-8
3 178

18 April 74

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Office of the Comptroller
FROM : Deputy Director for Management and Services
SUBJECT : Program Execution Procedures
REFERENCE : Multiple Addressee memo dtd 25 Sept 72
from DCI, same subject

1. Action Requested: It is requested that you approve in principle the extension of the Special Instructions for Program Execution to establish specific levels of approval for Agency real property related projects.

2. Background: Real property activities (the construction, purchase, lease, modification, or disposal of buildings and land) have historically generated a high level of executive interest within the Agency and throughout the Federal Government. Within the Agency, the personnel reductions and lowered profile of the last few years have significantly increased the executive visibility for real property activities. This has led to increasingly stringent restrictions on real property activities (as cited below) with culmination in the Special Instructions for Program Execution which require DCI approval for all construction or purchase of real property. As developed in paragraph 3, Staff Position, constraint on only construction and purchase still permits extensive potential expansion through lease, assignment, or alteration; whereas excessive constraint on purchase and, particularly, minor construction can impede middle management flexibility and elevate routine decisions to the highest managerial levels. Significant, recent and/or operative controls on real property activities are as follows:

a. Approval authority for projects (including real property actions) up to \$100,000 for Deputy Directors was affirmed in a 10 June 1964 memorandum from the General Counsel to the DDCI.

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SUBJECT: Program Execution Procedures

b. Approval authority of \$1,000 for single properties and \$5,000 for installations is given to Chiefs of Station or Base for minor construction, alteration, maintenance, or repair [REDACTED] [REDACTED] also provides regulatory procedures for quarters leasing and alterations to leased properties. This regulation, however, places no limit on the scope of acquired, leased, or assigned properties except for assignment of entire installations and, of course, availability of funds.

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c. Per [REDACTED] approval authority for alterations to Agency buildings in the Metropolitan Washington area is given to the Director of Logistics (D/L) for projects up to \$5,000 and to the Deputy Director for Management and Services (DD/M&S) for all projects over \$5,000.

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d. Authority to reprogram funds within an approved budget has been provided to office/division heads in varying amounts and scope between Directorates. The DD/M&S has, for example, delegated the amount of \$25,000 to his office heads without limitation in scope. Reprogramming authorities within other Directorates are not known within DD/M&S.

e. Based on informal direction from the then DCI, Mr. Helms, the DD/O, by memorandum dated 11 June 1970, established a requirement for Deputy Directorate approval for all increases in space within CONUS. Other Directorates did not publish similar interpretations of this policy.

f. Approval authority to transfer real property activity funds to another agency (except GSA) between 1 April and 30 June of each year was restricted to the D/L for amounts up to \$10,000 and to the DD/M&S for amounts over \$10,000 per a May 1972 memorandum from the Director of Finance to the Executive Director-Comptroller.

SUBJECT: Program Execution Procedures

b. Approval authority of \$500 for single properties and \$2,000 for installations is given to Chiefs of Station or Base for minor construction, alteration, maintenance, or repair [REDACTED]. (This regulation is in the latter stages of revision to raise approval levels to \$1,000 and \$5,000 and to clarify terms.) [REDACTED] also provides regulatory procedures for quarters leasing and alterations to leased properties. This regulation, however, places no limit on the scope of acquired, leased or assigned properties except for assignment of entire installations and, of course, availability of funds.

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c. Per [REDACTED] approval authority for alterations to Agency buildings in the Metropolitan Washington area is given to the Director of Logistics (D/L) for projects up to \$5,000 and to the Deputy Director for Management and Services (DD/M&S) for all projects over \$5,000.

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d. Authority to reprogram funds within an approved budget has been provided to office/division heads in varying amounts and scope between Directorates. The DD/M&S has, for example, delegated the amount of \$25,000 to his office heads without limitation in scope. Reprogramming authorities within other Directorates are not known within DD/M&S.

e. Based on informal direction from the then DCI, Mr. Helms, the DD/O, by memorandum dated 11 June 1970, established a requirement for Deputy Directorate approval for all increases in space within CONUS. Other Directorates did not publish similar interpretations of this policy.

f. Approval authority to transfer real property activity funds to another agency (except GSA) between 1 April and 30 June of each year was restricted to the D/L for amounts up to \$10,000 and to the DD/M&S for amounts over \$10,000 per a May 1972 memorandum from the Director of Finance to the Executive Director-Comptroller.

SUBJECT: Program Execution Procedures

g. The special instruction for the subject procedures postdates all of the foregoing except reprogramming authorities and states "No funds will be obligated for the purchase of real estate or for the construction of buildings or for the major repair or rehabilitation of buildings without DCI approval. DCI approval for such actions will normally be obtained as part of the program review process. Notification of action will assure final coordination."

3. Staff Position: It is believed that complete restriction of construction/purchase of real property will, if rigidly adhered to, lead to excessive correspondence to the DCI level for approval/notification actions or deprive middle managers of operational flexibility. Major overseas [REDACTED] stations (particularly in Agency-owned and -maintained installations) now have minor construction authority up to \$15,000 (\$50,000 in Vietnam). Minor new construction such as training facilities, testing facilities, generator sheds, or guardhouses can be operationally essential yet be modest in cost and not necessitate increase in profile or manning. Conversely, to permit determination of what degree of rehabilitation is "major" or placing no specific program constraints on leasing or assignment of facilities could lead to major expansion of facilities without appropriate executive review. This latter case is especially possible where component facilities budgets are large but yet are programmed as single line items. It is considered that establishment of appropriate managerial levels of fund approval for real property activities can retain middle management operational flexibility yet still provide sufficient senior management review to avoid unexpected and unprogrammed expansion of facilities (with potential, resultant personnel requirements). The Office of Logistics (OL), based on extensive experience, has listed suggested guidelines for approval levels as delineated in the attachment.

4. Recommendation: It is recommended that approval in principle be given to extend the Special Instructions for Program Execution to establish specific approval levels for real property activities in order to permit maximum operational flexibility and minimize executive-level control of facilities utilization. The procedures to be established for facilities approval levels (as definitized in the attachment) consist of:

- a. New construction or purchase;
- b. Renovation, alteration, or repair;
- c. Lease or assignment (new or replacement);
- d. Establishment of uniform managerial levels against existing regulations;
- e. Establishment of budget line item levels, and
- f. Establishment of overrun tolerances.

If concurrence is received, OL and Office of the Comptroller will coordinate final levels for your approval and implement revision and dissemination of appropriate regulatory documentation.

[REDACTED] STATINTL

HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

Att

CONCURRENCE:

STATINTL

[REDACTED]
John D. Iams
Comptroller

22/4-74
Date

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APPROVED: [REDACTED]

7 MAY 1974

DISAPPROVED: _____

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SUBJECT: Program Execution Procedures

- a. New construction or purchase;
- b. Renovation, alteration, or repair;
- c. Lease or assignment (new or replacement);
- d. Establishment of uniform managerial levels against existing regulations;
- e. Establishment of budget line item levels, and
- f. Establishment of overrun tolerances.

If concurrence is received, OL and Office of the Comptroller will coordinate final levels for your approval and implement revision and dissemination of appropriate regulatory documentation.

HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

Att:

CONCURRENCE:

John D. Iams
Comptroller

Date

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retyped:bjh/3017 (20 Feb 74)

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TAB

Suggested Amended Special Instruction Guidelines
For Program Execution Procedures

1. Provide uniform cost levels of fund approval for new construction or purchase of real property. Suggested levels are \$5,000 for heads of operating components and \$25,000 for Deputy Directors. (COS's and COB's now have this construction authority except as otherwise delegated or as restricted by the Program Execution Procedure.)
2. Provide uniform cost levels of authorizations for renovations, alterations, or major repair of existing properties. Suggested levels are \$25,000 for heads of operating components and \$100,000 for Deputy Directors (as per paragraph 1 above, COS's and COB's now have up to \$5,000 authority).
3. Establish fund approval levels for the acquisition of new or replacement real property by lease or assignment. Suggested levels for replacement properties are (whichever is least) up to 10 percent increase of rental cost or square footage for heads of operating components and 25 percent of rental cost or square footage for Deputy Directors. Acquisition of new property by lease or assignment could be restricted to 200 square feet or \$1,000 in annual rental for heads of operating components or independent offices and 5,000 square feet or \$25,000 in annual rental for Deputy Directors. Current regulations for acquisition of safehouses, other short-term operational sites, or quarters are considered adequate.
4. Modify Headquarters Regulations and fund transfer authorities to other agencies to reflect above approval levels, i.e., provide the Director of Logistics with approval authority under [REDACTED] to \$25,000 for renovations, alterations, or repair in the Metropolitan Washington area and \$25,000 for fund transfers to other agencies after 1 April for real property activities.
5. Require that all budgeted real property activities within the above head of component approval limitations be identified as single line items in budget submissions.
6. For approved projects, provide approving officers with a 15 percent or \$2,000 (whichever is least) overrun reprogramming authority.

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See next sheet for Tabular Summary.

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Attachment 1-A
Tabular Summary Existing and Proposed
Authorization Levels

<u>Description</u>	<u>Existing</u>	<u>Proposed</u>
New Construction or Purchase	DCI Approval	a. \$5,000 for COS's, COB's, Heads of Operating Com- ponents b. \$25,000 for Deputy Directors
Renovation, Alter- ation or Major Repair	As determined to be "Major" or within opera- tional budgets	a. \$5,000 for COS's and COB's b. \$25,000 for Heads of Operating Components c. \$100,000 for Deputy Directors
Lease or Assign- ment, new or replacement space	Subject to fund availability only	a. Replacement Space 1) 10 percent increase in space or annual cost for Heads of Operating Components 2) 25 percent increase for Deputy Directors b. New Space 1) 200 sq. ft. or \$1,000 in annual rental for Heads of Operating Components

Attachment 1-A
Tabular Summary Existing and Proposed
Authorization Levels

Description

Existing

Proposed

2) 5,000 sq. ft.
or \$25,000 in
annual rental
for Deputy
Directors